

# **Alternative 1** **First Year Cost Of Service**

## **1. Rate Base Investment**

Utility Plant In Service	\$150,430,000	
Working Capital Allowance	<u>\$290,000</u>	
Subtotal		\$150,720,000
Deduct:		
Accumulated Depreciation/Amort.	(\$2,850,000)	
Accumulated Deferred Income Taxes	<u>(\$3,750,000)</u>	
Subtotal		<u>(\$6,600,000)</u>
Total Ratebase Investment:		\$144,120,000

## **2. Cost Of Service**

Operating Expenses		
Production	\$2,340,000	
Transmission Charges	\$20,000	
Transmission Specific Facilities Charges	\$310,000	
Depreciation/Amortization	\$5,710,000	
Income Taxes	(\$230,000)	
Lowell Agreement & Good Neighbor Fund	\$1,140,000	
Return On Rate Base Investment	<u>\$11,900,000</u>	
Total Cost Of Service Before Credit		\$21,190,000
Resale to VEC		<u>(\$2,750,000)</u>
Cost of Service To Customer		\$18,440,000